

FISCAL NOTE
Requested by Legislative Council
12/28/2006

Bill/Resolution No.: HB 1096

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$10,000		\$28,000		\$15,000
Expenditures		\$20,000		\$0		\$0
Appropriations		\$0		\$0		\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1096 renews the program limits of \$2,000,000 per project and \$20,000,000 cumulative for the Public Finance Authority's Industrial Development Bond Program. In addition, the bill creates new language pertaining to the confidentiality of certain Public Finance Authority records.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The Public Finance Authority charges an issuance fee which varies with each project not to exceed one percent of the dollar amount being issued. The costs to develop the program which have already been incurred will be shared by the first three borrowers under the program.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

For the 2005-2007 biennium, the Public Finance Authority issued \$1,360,000 of bonds under its Industrial Development Bond Program. The borrower paid an issuance fee of one-quarter of one percent (\$3,400) and covered one-third of the program costs (\$6,600). For the 2007-2009 biennium, we estimate revenues of \$28,000 which includes issuance fees of \$15,000 for 3 projects and reimbursement of program costs of \$13,000. For 2009-2011, we estimate issuance costs of \$15,000 for 3 industrial development projects.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The program costs to develop the Industrial Revenue Bond Program are estimated to total \$20,000. These costs will be divided and reimbursed to the Public Finance Authority over the first 3 projects.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Tim Porter	Agency:	ND Public Finance Authority
Phone Number:	(701) 328-7120	Date Prepared:	01/02/2007